

CITY COURT OF LAFAYETTE, LOUISIANA

FINANCIAL REPORT

OCTOBER 31, 2013

CONTENTS

	Exhibit/ Schedules	Page
INDEPENDENT AUDITORS' REPORT	-	1- 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	-	4 - 7
GOVERNMENT-WIDE FINANCIAL STATEMENTS		
Statement of net position	A	10
Statement of activities	B	11
FUND FINANCIAL STATEMENTS		
Balance sheet – governmental funds	C	14
Reconciliation of the governmental funds balance sheet to the statement of net position	D	15
Statement of revenues, expenditures, and changes in fund balances – governmental funds	E	16
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	F	17
Combining statement of fiduciary net position – fiduciary funds	G	18
Notes to financial statements	-	19 - 26
REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary comparison schedule:		
General fund	H-1	28
Criminal court operating fund	H-2	29
OWI assessment fund	H-3	30
Notes to budgetary comparison schedules	H-4	31
OTHER SUPPLEMENTARY INFORMATION		
Nonmajor Governmental Funds:		
Combining balance sheet	I-1	36
Combining statement of revenues, expenditures, and changes in fund balances	I-2	37

	Exhibit/ Schedules	Page
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	-	39 and 40
Schedule of findings and responses	J-1	41
Schedule of prior findings	J-2	42



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INDEPENDENT AUDITORS' REPORT

To The Honorable Frances Bouillion and
The Honorable Doug Saloom
City Judges
Lafayette, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Lafayette, Louisiana, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 2013, and the related notes to financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Court's management.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Lafayette, Louisiana as of October 31, 2013, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other-Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information *on pages 4 through 7 and pages 28 through 31* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Lafayette, Louisiana's basic financial statements. The combining nonmajor governmental funds financial statements on pages 36 and 37 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor governmental funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The combining nonmajor governmental funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental funds financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2014, on our consideration of City Court of Lafayette, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of

that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court of Lafayette's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Bernard Locke Lewis : Bernard CLP". The signature is written in a cursive, flowing style.

Lafayette, Louisiana
April 15, 2014

CITY COURT OF LAFAYETTE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City Court of Lafayette, Louisiana's (the "Court") financial performance provides an overview of the Court's financial activities for the year ended October 31, 2013. Please read it in conjunction with the Court's financial statements that follow.

I. FINANCIAL HIGHLIGHTS

The Court's net position increased by \$203,890 or 3.5% as a result of this year's operations.

The Court's total program revenues were \$2,801,890 compared to \$2,806,279 last year, a decrease of \$4,389 or 0.2%.

Total expenses for the Court during the year ending October 31, 2013 were \$2,603,686, compared to \$2,494,589 during the year ending October 31, 2012, an increase of \$109,097 or 4.4%.

II. USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The statement of net position and the statement of activities (pages 10 and 11) provide information about the Court's activities as a whole and present a longer-term view of the Court's finances. Fund financial statements start on page 14. These statements tell how the services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by providing information about the Court's most significant funds. The remaining statements provide financial information about activities for which the Court acts solely as a trustee or agent for the benefit of those outside of the government.

A. REPORTING THE COURT AS A WHOLE

1. THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

Our analysis of the Court as a whole begins on page 5. One of the most important questions asked about the Court's finances is, "Is the Court, as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most commercial enterprises. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Court's net position and the changes in them. The net position, the difference between the assets and the liabilities, are one way to measure the Court's financial position or financial health. Over time, increases or decreases in the Court's net position is one indicator of whether its financial health is improving or deteriorating.

We record the funds maintained by the Court as governmental activities in the statement of net position and the statement of activities.

B. REPORTING THE COURT'S MOST SIGNIFICANT FUNDS

1. FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 14 and provide detailed information about the most significant funds, not the Court as a whole. The Court has also established other funds, which are for proceeds legally restricted to expenditures for special purposes.

All of the Court's expenditures are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Court's general operations and the expenditures paid from these funds. The information in the governmental funds helps determine if there are more or less financial resources to finance future Court expenditures. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations that follow the fund financial statements.

C. THE COURT AS A TRUSTEE

The Court is a trustee for agency funds for its civil and criminal divisions. All of the Court's fiduciary funds are reported in the statement of fiduciary assets and liabilities on page 18. We exclude these activities from the Court's other financial statements because the Court cannot use these assets to finance its operations. The Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

III. REPORTING THE COURT AS A WHOLE

The following table reflects the condensed statement of net position for 2013, with comparative figures from 2012.

TABLE I
CITY COURT OF LAFAYETTE, LOUISIANA
CONDENSED STATEMENT OF NET POSITION
October 31, 2013 and 2012

	2013	2012
Assets:		
Current assets	\$ 5,255,401	\$ 5,143,070
Capital assets	<u>863,909</u>	<u>731,386</u>
Total assets	<u>\$ 6,119,310</u>	<u>\$ 5,874,456</u>
Liabilities:		
Current liabilities	<u>\$ 40,964</u>	<u>\$ -</u>
Net position:		
Net investment in capital assets	\$ 863,909	\$ 731,386
Restricted	596,720	582,306
Unrestricted	<u>4,617,717</u>	<u>4,560,764</u>
Total net position	<u>\$ 6,078,346</u>	<u>\$ 5,874,456</u>
Total liabilities and net position	<u>\$ 6,119,310</u>	<u>\$ 5,874,456</u>

Net position of the Court's governmental activities increased by \$203,890 or 3.5% over the prior year. Unrestricted net position, the part of net position that can be used to finance the Court's expenses without constraints or other legal requirements, increased from \$4,560,764 at October 31, 2012 to \$4,617,717 at October 31, 2013.

The following table provides a summary of the change in net position for the year ended October 31, 2013, with comparative figures from 2012.

TABLE II
CITY COURT OF LAFAYETTE, LOUISIANA
CHANGE IN NET POSITION
For the Years Ended October 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues -		
Fees, fines, and charges for		
services and operating contributions	\$ 2,801,890	\$ 2,806,279
General revenues -		
Investment income	<u>5,686</u>	<u>5,466</u>
Total revenues	\$ 2,807,576	\$ 2,811,745
Expenses:		
General government	<u>2,603,686</u>	<u>2,494,589</u>
Change in net position	\$ 203,890	\$ 317,156
Net position, beginning	<u>5,874,456</u>	<u>5,557,300</u>
Net position, ending	<u>\$ 6,078,346</u>	<u>\$ 5,874,456</u>

During the fiscal year ended October 31, 2013, program revenues decreased by \$4,389 or approximately 0.2%.

Expenses, including depreciation expense of \$109,348 and \$104,721 at October 31, 2013 and 2012, respectively, increased by \$109,097 or approximately 4.4%.

IV. GENERAL FUND BUDGETARY HIGHLIGHTS

The budget for the General Fund operations is adopted by the Lafayette City-Parish Consolidated Government for its appropriations in accordance with its budgetary regulations and on a basis consistent with generally accepted accounting principles. Any comments regarding budget variances are included in the Lafayette City-Parish Consolidated Government Management's Discussion and Analysis.

V. CAPITAL ASSETS

At October 31, 2013, the Court had \$863,909 invested in capital assets. This amount represents a net increase of \$132,523 or 18.1% from last year.

VI. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

As explained in Section IV, the General Fund budget is adopted by the Lafayette City-Parish Consolidated Government. For the other funds, the Court's management considered many factors when setting the operating budget for the fiscal year ending October 31, 2014. Management expects revenues to increase slightly and expenditures to continue increasing in 2014.

VII. CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the funds maintained by the Court and to show the Court's accountability for the money it receives. If you have any questions or need additional financial information, contact City Court of Lafayette, Louisiana, Clerk/Court Administrator at Post Office Box 3344, Lafayette, Louisiana 70502.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY COURT OF LAFAYETTE, LOUISIANA

STATEMENT OF NET POSITION

October 31, 2013

ASSETS	Governmental Activities
CURRENT ASSETS	
Cash	\$ 5,190,784
Due from external parties	<u>64,617</u>
Total current assets	<u>\$ 5,255,401</u>
CAPITAL ASSETS	
Non-depreciable	\$ 153,848
Depreciable, net	<u>710,061</u>
Total capital assets	<u>\$ 863,909</u>
Total assets	<u><u>\$ 6,119,310</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	<u>\$ 40,964</u>
NET POSITION	
Net investment in capital assets	\$ 863,909
Restricted	596,720
Unrestricted	<u>4,617,717</u>
Total net position	<u>\$ 6,078,346</u>
Total liabilities and net position	<u><u>\$ 6,119,310</u></u>

See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended October 31, 2013

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:				
General government -	<u>\$ 2,603,686</u>	<u>\$ 701,160</u>	<u>\$ 2,100,730</u>	<u>\$ 198,204</u>
General revenues:				
Investment earnings				<u>\$ 5,686</u>
Changes in net position				<u>\$ 203,890</u>
Net position, beginning				<u>5,874,456</u>
Net position, ending				<u>\$ 6,078,346</u>

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

CITY COURT OF LAFAYETTE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
October 31, 2013

ASSETS	General Fund (Note 1)	Criminal Court Operating Fund	OWI Assessment Fund	Other Governmental Funds	Total Governmental Funds
Cash	\$ -	\$ 3,823,429	\$ 592,792	\$ 774,563	\$ 5,190,784
Due from agency funds	-	54,452	3,928	6,237	64,617
Total assets	<u>\$ -</u>	<u>\$ 3,877,881</u>	<u>\$ 596,720</u>	<u>\$ 780,800</u>	<u>\$ 5,255,401</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 40,964	\$ -	\$ -	\$ 40,964
FUND BALANCES					
Assigned to:					
Sobriety program	\$ -	\$ -	\$ 596,720	\$ -	\$ 596,720
Judicial expenditures	-	-	-	780,800	780,800
Criminal Court	-	3,836,917	-	-	3,836,917
Total fund balances	<u>\$ -</u>	<u>\$ 3,836,917</u>	<u>\$ 596,720</u>	<u>\$ 780,800</u>	<u>\$ 5,214,437</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,877,881</u>	<u>\$ 596,720</u>	<u>\$ 780,800</u>	<u>\$ 5,255,401</u>

See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
October 31, 2013

Total fund balances for governmental funds	\$ 5,214,437
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Total net position reported for governmental
activities in the statement of net position
is different because:

Capital assets used in governmental activities
are not financial resources and therefore are
not reported in the funds.

Capital assets, net	<u>863,909</u>
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Net position of governmental activities	<u>\$ 6,078,346</u>
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See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended October 31, 2013

	General Fund (Note 1)	Criminal Court Operating Fund	OWI Assessment Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Intergovernmental	\$ 2,100,730	\$ -	\$ -	\$ -	\$ 2,100,730
Charge for services	-	582,348	39,115	79,697	701,160
Investment earnings	-	4,186	299	1,201	5,686
Total revenues	<u>\$ 2,100,730</u>	<u>\$ 586,534</u>	<u>\$ 39,414</u>	<u>\$ 80,898</u>	<u>\$ 2,807,576</u>
Expenditures:					
Current-					
General government	\$ 2,100,730	\$ 309,278	\$ 25,000	\$ 57,589	\$ 2,492,597
Capital outlay	-	235,980	-	5,891	241,871
Total expenditures	<u>\$ 2,100,730</u>	<u>\$ 545,258</u>	<u>\$ 25,000</u>	<u>\$ 63,480</u>	<u>\$ 2,734,468</u>
Excess of revenues over expenditures	\$ -	\$ 41,276	\$ 14,414	\$ 17,418	\$ 73,108
Other financing uses:					
External appropriations	-	(1,741)	-	-	(1,741)
Net change in fund balance	\$ -	\$ 39,535	\$ 14,414	\$ 17,418	\$ 71,367
Fund balance, beginning	-	3,797,382	582,306	763,382	5,143,070
Fund balance, ending	<u>\$ -</u>	<u>\$ 3,836,917</u>	<u>\$ 596,720</u>	<u>\$ 780,800</u>	<u>\$ 5,214,437</u>

See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended October 31, 2013

Net change in fund balances - total governmental funds	\$	71,367
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.

Capital outlay	\$	241,871	
Depreciation expenses		<u>(109,348)</u>	<u>132,523</u>

Change in net position of governmental activities	\$	<u>203,890</u>
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See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 October 31, 2013

ASSETS	Civil Court Operating Fund	Court Cost Bond Fund	Total Agency Funds
Cash held in trust	<u>\$ 1,173,657</u>	<u>\$ 472,008</u>	<u>\$ 1,645,665</u>
LIABILITIES			
Accounts payable	\$ 1,449	\$ -	\$ 1,449
Attorneys' deposits	1,148,249	-	1,148,249
Bonds posted	-	142,134	142,134
Due to other funds	15,817	48,800	64,617
Due to other governmental agencies	<u>8,142</u>	<u>281,074</u>	<u>289,216</u>
Total liabilities	<u>\$ 1,173,657</u>	<u>\$ 472,008</u>	<u>\$ 1,645,665</u>

See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of City Court of Lafayette, Louisiana (the "Court"), are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Court's accounting policies are described below.

Reporting entity:

Included in the financial statements are all funding activities of the City Court of Lafayette, a component unit of Lafayette City-Parish Consolidated Government, including funding provided by the Lafayette City-Parish Consolidated Government which is also reported as departmental expenditures in the financial statements of that entity.

The City Marshal's office is administered by a separately elected City Marshal. These financial statements do not include separate funds received and administered directly by the City Marshal or by the Lafayette City-Parish Consolidated Government on behalf of the City Marshal's office.

Basis of presentation:

Government-wide Statements: The statement of net position and the statement of activities display information about the Court as a whole. These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities are generally financed through intergovernmental revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and fines paid by the recipients of goods or services offered by the programs, and (b) contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Court's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Court reports the following major governmental funds:

General Fund: The normal operating expenditures of the Court are the responsibility of the Lafayette City-Parish Consolidated Government and are included in the General Fund of that entity. The applicable portion of the financial report of that entity is reproduced for this report with offsetting appropriations shown as intergovernmental revenues. In addition, on-behalf payments made by the State for the Judges' salaries are reported in this fund.

Criminal Court Operating Fund: This fund is used to account for various costs associated with the operation of the Court. Revenues consist of court costs levied in connection with non-civil cases.

NOTES TO FINANCIAL STATEMENTS

OWI Assessment Fund: Revenues of this fund are derived from assessments levied in court cases to support the sobriety program and are transferred to that program as needed.

Additionally, the Court reports the following fund type:

Agency Funds: These funds account for monies held (bonds posted) by plaintiffs to cover estimated court costs in connection with criminal and civil suits. Any monies remaining after settlement of the suits are refunded to the plaintiffs.

Basis of accounting:

Government-wide and Fiduciary Fund Financial Statements: The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. Interest revenue is susceptible to accrual. Court costs are not susceptible to accrual because generally they are not measurable until received in cash.

Capital assets:

The majority of the fixed assets of the Court are purchased by the Lafayette City-Parish Consolidated Government and are accounted for in the government-wide financial statements of that entity.

The Court's purchases of capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their fair value at the date of donation. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of asset are as follows:

	<u>Years</u>
Building improvements	10 - 15
Equipment	5 - 15
Land improvements	25
Software	3 - 10

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

NOTES TO FINANCIAL STATEMENTS

Equity classifications:

Government-wide statements -

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulation of other governments. The Court first utilizes restricted resources to finance qualifying activities.

The government-wide statement of net position reports \$596,720 of restricted net position all of which is restricted by enabling legislation.

Fund financial statements –

Beginning with fiscal year 2011, the Court implemented GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Court establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Court through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

NOTES TO FINANCIAL STATEMENTS

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Custodial credit risk:

Deposits –

The Court is exposed to custodial credit risk as it relates to their deposits with financial institutions. The Court's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be pledged in the Court's name. Accordingly, the Court had no custodial credit risk related to its deposits at October 31, 2013.

Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in nature. These are reported as "due to/from other funds."

Recent accounting pronouncements:

In June 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 63 "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*." This Statement is effective for financial statements for years beginning after December 15, 2011. This Statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures.

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "*Items Previously Reported as Assets and Liabilities*." This Statement is effective for financial statements for years beginning after December 15, 2012. This Statement established accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets or liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows or resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

The adoption of GASB 63 in the current year had no impact on the financial statements. The adoption of GASB 65 is expected to have changes on the formatting of the financial statements and classifications of certain items within the financial statements and related disclosures.

NOTES TO FINANCIAL STATEMENTS

Note 2. Interfund Balances

Interfund balances at October 31, 2013 consist of the following:

	Receivable	Payable
Major Governmental Funds:		
Criminal Court Operating Fund	\$ 54,452	\$ -
OWI Assessment Fund	3,928	-
Other Governmental Funds	6,237	-
Agency Funds	-	64,617
	<hr/>	<hr/>
Total interfund balances	\$ 64,617	\$ 64,617

These balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 3. Employee Retirement Systems

Substantially, all Court employees participate in one of the following retirement systems:

Municipal Employees' Retirement Systems (MERS)

Plan description:

Some of the Court's employees participate in the MERS, a multiple employer, cost-sharing pension plan established by the Louisiana Legislature. Employees are eligible to retire under Plan A of the System at age 60 with 10 years of creditable service, or at any age with 25 years of creditable service. Monthly benefits consist of 3% of a member's final compensation, multiplied by years of service with certain limitations. The System also provides disability and survivor benefits. All benefits are established by State statute. MERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy:

Plan members were required to contribute 9.25% until June 30, 2013, and 9.5% until October 31, 2013 of their annual covered salary to the plan and the Court is required to contribute at an actuarially determined rate. The rate was 17.00% until July 1, 2013, at which time it increased to 18.75%. The contribution requirements of plan members and the Court are established by statute. The Court's contributions to MERS for the years ended October 31, 2013, 2012 and 2011 were \$109,808, \$82,043 and \$55,834, respectively, equal to the required contribution each year.

NOTES TO FINANCIAL STATEMENTS

Parochial Employees' Retirement System (PERS)

Plan description:

The majority of employees of the Court participate in the PERS of Louisiana, a multiple-employer, cost-sharing pension plan. Members of the plan hired prior to January 1, 2007 may retire with 30 years of creditable service regardless of age, with 25 years of service at age 55, with 10 years of service at age 60, and with seven years of service at age 65. Members of the plan hired January 1, 2007 and later may retire with 30 years of creditable service at age 55, 10 years of service at age 62, and with seven years of service at age 67. The retirement allowance is equal to 3% of the member's final average compensation multiplied by his years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 months salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months salary. The System also provides disability and survivor benefits. Benefits are established by State statute. PERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898.

Funding policy:

Plan members are required to contribute 9.50% of their annual covered salary to the plan and the Court is required to contribute at an actuarially determined rate. The rate was 15.75% during the fiscal year ended October 31, 2013. The contribution requirements of plan members and the Court are established by statute. The Court's contribution to PERS for the years ended October 31, 2013, 2012 and 2011 were \$73,726, \$81,072 and \$91,870, respectively, equal to the required contribution each year.

Louisiana State Employees' Retirement System (LASERS)

Plan description:

Two City Court judges participate in the Louisiana State Employees' Retirement System, a multiple-employer, cost-sharing pension plan established by the Louisiana Legislature. Members of the Judicial Plan may either participate in the Deferred Retirement Option Plan (DROP) or retire. Members have two available windows in which to participate in DROP, one resulting from the Judicial Plan and the other from the Regular Plan. Under the Judicial Plan, members of the System may retire at age 70 without regard to the number of years of creditable service as a judge, at age 55 with 12 years of creditable service as a judge, at age 50 with 20 years of creditable service (at least 12 years of which were as a judge), and at age 65 with 10 years of creditable service as a judge. In addition, any person who has accumulated a total of 18 years of creditable service as a judge can retire without regard to age. When a member has earned benefits equal to 100% of his average compensation, no further contribution is required by the member. The employer, however, must continue to pay to the System the employer's contribution. The System also provides disability and survivor benefits. Benefits are established by State statute. Under the Regular Plan, members of the plan hired on or before June 30, 2006 may retire with 30 years of creditable service regardless of age, with 25 years of service at age 55, and with 10 years of service at age 60. In addition, a person who has accumulated a total of 20 years of creditable service can retire without regard to age, exclusive of military service and unused annual and sick leave, subject to their benefits being actuarially reduced as provided by statute. Members of the plan hired on or after July 1, 2006 may retire with five years of creditable service at age 65. In addition, a person who has accumulated a total of 20 years of creditable service can retire without regard to age, exclusive of military service and unused annual and sick leave, subject to their benefits being actuarially reduced as provided by statute. LASERS issues a publicly available financial report that includes financial statements and required supplemental information. That report

NOTES TO FINANCIAL STATEMENTS

may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804.

Funding policy:

Plan members are required to contribute 11.50% of their annual covered salary to the plan and the Court is required to contribute at an actuarially determined rate. The Court contributed 34.80% through June 30, 2013. Beginning July 1, 2013, the contribution rate increased to 36.30%. The contribution requirements of plan members and the Court are established by statute. The Court's contribution to LASERS for the years ended October 31, 2013, 2012 and 2011 were \$66,318, \$60,623 and \$47,283, respectively, equal to the required contribution each year.

Note 4. Capital Assets

The amount of capital assets reported in the Lafayette City-Parish Consolidated Government's October 31, 2013 audit report for the Court is as follows:

Land	\$ 396,768
Buildings	3,438,675
Equipment	<u>44,802</u>
	<u>\$ 3,880,245</u>

In addition, the Court purchases some of its own capital assets with Court funds. These assets are not included in the Lafayette City-Parish Consolidated Government's report. The Court accounts for these in its basic financial statements.

Capital assets activity for the year ended October 31, 2013 was as follows:

	<u>Balance, 10/31/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, 10/31/13</u>
Governmental activities:				
Capital assets not being depreciated -				
Work in progress	\$ -	\$ 153,848	\$ -	\$ 153,848
Capital assets being depreciated -				
Building improvements	\$ 558,286	\$ 35,165	\$ -	\$ 593,451
Equipment	811,656	52,858	(6,353)	858,161
Land improvements	<u>17,759</u>	<u>-</u>	<u>-</u>	<u>17,759</u>
Total capital assets being depreciated	<u>\$ 1,387,701</u>	<u>\$ 88,023</u>	<u>\$ (6,353)</u>	<u>\$ 1,469,371</u>
				(continued)

NOTES TO FINANCIAL STATEMENTS

	Balance, 10/31/12	Increases	Decreases	Balance, 10/31/13
Less accumulated depreciated for -				
Building improvements	\$ (111,244)	\$ (42,061)	\$ -	\$ (153,305)
Equipment	(541,327)	(66,577)	6,353	(601,551)
Land improvements	(3,744)	(710)	-	(4,454)
Total accumulated depreciated	<u>\$ (656,315)</u>	<u>\$ (109,348)</u>	<u>\$ 6,353</u>	<u>\$ (759,310)</u>
Total capital assets being depreciated, net	<u>\$ 731,386</u>	<u>\$ (21,325)</u>	<u>\$ -</u>	<u>\$ 710,061</u>
Governmental activities capital assets, net	<u>\$ 731,386</u>	<u>\$ 132,523</u>	<u>\$ -</u>	<u>\$ 863,909</u>

Depreciation expense was charged as follows:

 Governmental activities:

 General government

\$ 109,348

Note 5. On-Behalf Payments for Salaries and Benefits

In accordance with GASB Statement No. 24, *"Accounting and Financial Reporting for Certain Grants and Other Financial Assistance,"* the Court reports in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the City Court Judges and salary and fringe benefits payments made by the Lafayette City-Parish Consolidated Government to the Judges and the Court's employees.

Supplementary salary payments are made by the State directly to the City Court Judges and from the Lafayette City-Parish Consolidated Government to the Judges and Court's employees. The Court is not legally responsible for these salary and benefit supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the Lafayette City-Parish Consolidated Government. For the fiscal year ended October 31, 2013, the State and Lafayette City-Parish Consolidated Government paid \$1,867,253 in supplemental salary and benefit payments to the City Court Judges and the City Court's employees. These are reported in the General Fund revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,093,239	\$ 2,115,686	\$ 2,100,730	\$ (14,956)
Expenditures:				
Current -				
General government	<u>2,093,239</u>	<u>2,115,686</u>	<u>2,100,730</u>	<u>14,956</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
CRIMINAL COURT OPERATING FUND

For the Year Ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Charge for service	\$ 658,000	\$ 592,153	\$ 582,348	\$ (9,805)
Investment earnings	5,300	5,346	4,186	(1,160)
Total revenues	<u>\$ 663,300</u>	<u>\$ 597,499</u>	<u>\$ 586,534</u>	<u>\$ (10,965)</u>
Expenditures:				
Current -				
General government:				
Auto expenses and lease	\$ 21,558	\$ 20,789	\$ 20,203	\$ 586
Interpreter services	-	-	17,600	(17,600)
Office	148,567	178,268	107,084	71,184
Professional services	13,690	17,345	17,345	-
Repairs and maintenance	9,163	10,464	17,528	(7,064)
Security monitoring	3,700	6,534	4,350	2,184
Telephone	759	-	-	-
Temporary judges' fees	15,457	23,999	23,999	-
Travel and seminars	17,603	36,398	36,381	17
Uniform fees	2,000	4,400	4,400	-
Volumes, dues, and subscriptions	37,921	46,863	48,550	(1,687)
Witness fees	8,060	7,990	9,885	(1,895)
Other	-	105	1,953	(1,848)
Capital outlay	<u>1,350,000</u>	<u>194,893</u>	<u>235,980</u>	<u>(41,087)</u>
Total expenditures	<u>\$ 1,628,478</u>	<u>\$ 548,048</u>	<u>\$ 545,258</u>	<u>\$ 2,790</u>
Excess of revenues over expenditures	\$ (965,178)	\$ 49,451	\$ 41,276	\$ (8,175)
Other financing uses:				
External appropriation	-	-	(1,741)	(1,741)
Net change in fund balance	\$ (965,178)	\$ 49,451	\$ 39,535	\$ (9,916)
Fund balance, beginning	<u>3,734,690</u>	<u>3,734,690</u>	<u>3,797,382</u>	<u>62,692</u>
Fund balance, ending	<u>\$ 2,769,512</u>	<u>\$ 3,784,141</u>	<u>\$ 3,836,917</u>	<u>\$ 52,776</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE

OWI ASSESSMENT FUND

For the Year Ended October 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 40,000	\$ 38,392	\$ 39,115	\$ 723
Investment income	<u>280</u>	<u>299</u>	<u>299</u>	<u>-</u>
Total revenues	<u>\$ 40,280</u>	<u>\$ 38,691</u>	<u>\$ 39,414</u>	<u>\$ 723</u>
Expenditures:				
Current -				
General government	\$ -	\$ -	\$ 25,000	\$ (25,000)
Net change in fund balance	\$ 40,280	\$ 38,691	\$ 14,414	\$ (24,277)
Fund balance, beginning	<u>579,128</u>	<u>579,128</u>	<u>582,306</u>	<u>3,178</u>
Fund balance, ending	<u>\$ 619,408</u>	<u>\$ 617,819</u>	<u>\$ 596,720</u>	<u>\$ (21,099)</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

Note 1. Budgets and Budgetary Accounting

The budget for General Fund operations is adopted by the Lafayette City-Parish Consolidated Government for its appropriations in accordance with its budgetary regulations and on a basis consistent with generally accepted accounting principles.

Budgets for the special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgets are prepared by the Court administrative staff and approved by the City Judges. Revisions to the budget after its original adoption must be approved by the City Judges.

All budget appropriations lapse at year end. The budgets presented are the original adopted and final amended budgets.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual fund had actual expenditures in excess of appropriations for the year ended October 31, 2013:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
OWI Assessment Fund	\$ -	\$ -	\$ 25,000	\$ (25,000)

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OTHER SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

To account for revenues generated from assessments of court costs which are imposed in association with civil cases heard by the Court.

Civil Court Funds:

Judges' Fees Account – These funds are used to account for fees allocated to the judges from civil cases. A separate fund is maintained for each judge. Resources of the funds are used by the judges as discretionary funds for payment of court related costs.

CITY COURT OF LAFAYETTE, LOUISIANA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 October 31, 2013

	Civil Court		Total
	Judges' Fees Account- Bouillion	Judge's Fees Account- Saloom	
ASSETS			
Cash	\$ 432,231	\$ 342,332	\$ 774,563
Due from agency funds	<u>3,096</u>	<u>3,141</u>	<u>6,237</u>
Total assets	<u>\$ 435,327</u>	<u>\$ 345,473</u>	<u>\$ 780,800</u>
FUND BALANCE			
Assigned to judicial expenditures	<u>\$ 435,327</u>	<u>\$ 345,473</u>	<u>\$ 780,800</u>

CITY COURT OF LAFAYETTE, LOUISIANA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended October 31, 2013

	Civil Court		
	Judges' Fees Account- Bouillion	Judge's Fees Account- Saloom	Total
Revenues:			
Charge for services	\$ 40,275	\$ 39,422	\$ 79,697
Investment earnings	478	723	1,201
Total revenues	\$ 40,753	\$ 40,145	\$ 80,898
Expenditures:			
Current -			
General government:			
Auto expenses and lease	\$ 8,100	\$ 5,034	\$ 13,134
Office	1,847	3,723	5,570
Salary	1,256	1,256	2,512
Travel and seminars	16,455	10,104	26,559
Volume and dues	1,200	723	1,923
Telephone	3,370	2,073	5,443
Insurance	1,504	832	2,336
Other	-	112	112
Capital outlay	876	5,015	5,891
Total expenditures	\$ 34,608	\$ 28,872	\$ 63,480
Net change in fund balances	\$ 6,145	\$ 11,273	\$ 17,418
Fund balance, beginning	429,182	334,200	763,382
Fund balance, ending	\$ 435,327	\$ 345,473	\$ 780,800

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Honorable Frances Bouillion and
The Honorable Doug Saloom
City Judges
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Lafayette, Louisiana, a component unit of the Lafayette City-Parish Consolidated Government as of and for the year ended October 31, 2013, and the related notes to financial statements, which collectively comprise the Court's basic financial statements and have issued our report thereon dated April 15, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Court's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompany schedule of findings and responses as item #2013-1.

The City Court of Lafayette's Response to the Finding

The Court's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Bernard Poché Zéni : Bernard LLP". The signature is written in a cursive, flowing style.

Lafayette, Louisiana
April 15, 2014

CITY COURT OF LAFAYETTE, LOUISIANA

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended October 31, 2013

We have audited the financial statements of City Court of Lafayette, Louisiana, as of and for the year ended October 31, 2013, and have issued our report thereon April 15, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of October 31, 2013 resulted in unmodified opinions.

Section I. Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses ☐ Yes ☒ No

Control deficiencies identified
that are not considered to be
material weaknesses

☐ Yes ☒ None reported

Compliance

Compliance material to
financial statements

☒ Yes ☐ No

Section II. Financial Statement Findings

#2013-1 Budget Violation

Finding: The Louisiana Local Government Budget Act requires governments to amend their budget when total actual revenues fail to meet budgeted revenues or actual expenditures exceed total budgeted expenditures by 5% or more in any one fund. For the year ended October 31, 2013, actual expenditures exceeded total budgeted expenditures in the OWI Assessment Fund by 100%, which is a violation of the Louisiana Local Government Budget Act.

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

Response: There was only one expenditure from that account. It was approved by both Judges and was correctly paid. Because expenditures from that account are uncommon the court neglected to amend the budget for that account. Reports will now be printed for all accounts and used when amending the budget.

CITY COURT OF LAFAYETTE, LOUISIANA

SCHEDULE OF PRIOR FINDINGS
For the Year Ended October 31, 2013

Section I. Internal Control and Compliance Material to the Financial Statements

None noted.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.